

Island Hospital

Policy and Procedure Manual

SUBJECT: Charity Care Policy

APPLICABILITY: All departments/Family Care Clinics

APPROVED BY: *Board of Comm* *9.26.06*

POLICY:

Island Hospital is committed to the provision of health care services to all persons I need of medical attention regardless of ability to pay. In order to protect the integrity of operations and fulfill this commitment, the following criteria for the provision of charity care, consistent with the requirements of the Washington Administrative Code, Chapter 246-453, are established. These criteria will assist staff in making consistent objective decisions regarding eligibility for charity care while ensuring the maintenance of a sound financial base.

#### COMMUNICATIONS TO THE PUBLIC

Island Hospital's charity care policy shall be made publicly available in the following ways:

- 1) A notice advising patients that the hospital provides charity care shall be posted in key public areas of the hospital, including Admissions, Emergency Department and Patient Accounts.
- 2) The hospital will provide a written notice of the hospital's charity care policy to patients upon request.
- 3) Both written information and verbal explanation shall be available in any language spoken by more than 10% of the population in the hospital's service area.

#### INCOME AS A PERCENTAGE OF FEDERAL POVERTY LEVEL

#### PERCENTAGE DISCOUNT

0- 200 percent  
201-300 percent

100 per cent  
50 per cent

Catastrophic Charity: The hospital may write off amounts for patients with family income in excess of 300 % of the federal poverty level when circumstances indicate severe financial hardship All catastrophic write-offs' shall be approved by CFO upon recommendation of Director of Patient Accounts.

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DEPARTMENT OF HEALTH  
Center for Health Statistics

The responsible party's financial obligation which remains after the application of any sliding fee schedule shall be payable as negotiated between the hospital and responsible party within the term's of the hospital's credit policy.

Island Hospital shall not require a disclosure of resources from charity care applicants whose income is less than 100% of the current Federal Poverty Level, but may require a disclosure of resources whose income is at or above 101 % of the current Federal Poverty Level.

## PROCESS FOR ELIGIBILITY DETERMINATION

### A. Initial determination

- 1) The hospital shall use an application process for determining eligibility for charity care. Request will be accepted from sources such as: physicians; community or religious groups, social services; financial services; personnel and the patient.
- 2) The initial determination of eligibility shall be completed at the time of admission or as soon as possible following services to the patient
- 3) Verification of income must be provided with the application. Acceptable verification includes:
  - Prior year tax returns
  - Current pay stubs
  - Written verification of wages from Employer
  - Unemployment letter
  - Social security letter
  - Bank statement
  - Disability award

Credit reports may be utilized to evaluate eligibility as well.

4) Documentation time period will be the last years income.

- 5) In the event that the responsible party is not able to provide any of the above documentation, the hospital shall rely upon written and signed statements from the responsible party for making a final determination of eligibility for classification as an indigent person.

B. The hospital will allow a patient to apply for charity care at any point from pre-admission to final payment of the bill, recognizing that a patient's ability to pay over an extended period may be substantially altered due to illness or financial hardship, resulting in a need for charity services. If the change in financial status is temporary, the hospital may choose to suspend payments temporarily rather than initiate charity care.

C. Time frame for final determination and appeals

- 1) Each charity care applicant who has been initially determined eligible for charity care shall be provided with at least 14 calendar days, or such time as may reasonably be necessary, to secure and present documentation in support of his or her application prior to receiving a final determination.
- 2) The hospital shall notify the applicant of its final determination within 14 days of receipt of all application and documentation material.
- 3) The applicant may appeal the determination of eligibility for charity care by providing additional verification of income or family size within 30 days of receipt of notification. Hospital may require the applicant to submit a new charity care application and documentation

#### DOCUMENTATION AND RECORDS

- A. Confidentiality. All information relating to the application will be kept confidential. Copies of documents that support the application will be kept with the application form.
- B. Documents pertaining to charity care shall be retained for five years.